

**Date:** October 16, 2012

**To:** Thomas J. Bonfield, City Manager  
**Through:** Wanda Page, Deputy City Manager  
**From:** Joel V. Reitzer, Director, General Services Department  
Jina Propst, Facilities Operations Manager  
David M. Fleischer, Real Estate Manager  
**Subject:** Proposed Six Year Lease for Police Domestic Violence Unit at 3022-B Fayetteville Street

### **Executive Summary**

The City has occupied 3,400 square feet of leased space for the District 4 Police Substation at 3022-B Fayetteville Street since November, 2000. Due to inadequate space at this location, the City has entered into a lease for 8,348 square feet of space for a new District 4 Police Substation at 2945 S. Miami Boulevard. District 4 operations located at 3022-B Fayetteville Street will move to its new location upon completion of work, anticipated to be completed by February, 2013. The Domestic Violence Unit (DVU) is currently occupying leased space at the BB&T Building at 505 S. Duke Street. Those operations are programmed to move to 3022-B Fayetteville Street when District 4 relocates.

General Services Department staff has negotiated a lease renewal at 3022-B Fayetteville Street for a six year term with options to renew for two additional two year terms. The rental rate for the first year of the lease is \$15.12 per square foot per year, which is a 3% increase over the prior year. The rental rate includes Landlord's cost of property taxes, insurance, common area maintenance, heating and air conditioning maintenance, landscaping, and repairs. The rental rate for each succeeding year will increase by 3%. Tenant improvements required to accommodate use by DVU will be provided by Landlord. The City will share in the cost of tenant improvements in the amount of \$8,400.00.

The Landlord estimates ten days to perform the improvements. During the time that the space is unavailable for use by the City, rent will be abated by the Landlord. The City will reimburse the Landlord for its share of costs related to the tenant improvements in a lump sum of \$8,400.00 to be paid within 30 days of completion, upon notice of completion from Landlord.

### **Recommendation**

Authorize the City Manager to execute a lease with UDI Community Development Corporation in the amount of \$340,928.04 and to authorize the City Manager to exercise extensions to the lease term up to four additional years.

### **Background**

DVU along with the District 4 HEAT (High Enforcement Abatement Team) occupies 2,700 square feet of space at the BB&T Building (505 S. Duke Street). Upon completion of the new

District 4 Police Substation at 2945 S. Miami Boulevard, District 4 HEAT along with District 4 operations at 3022-B Fayetteville Street will move to the new location. The Fayetteville Street space will then be modified for use by DVU. It is expected that DVU will move into their new space in February, 2013.

DVU consists of 10 authorized police officer positions. The new space will adequately accommodate their operations as well as allow for uniform patrol officers to use the Fayetteville Street location to make pit-stops and write reports which also contributes to a police presence in the area.

#### **Issues/Analysis**

The rental rate lease renewal proposed by the Landlord is consistent with existing leases at Police District substations 1, 2, 3, BB&T, and the recently negotiated lease at Miami Boulevard. The rental rate ranges from \$14.00-\$17.00 per square foot.

Renewal of this lease allows for District 4 operations, currently housed at 3022-B Fayetteville Street to remain on-site until construction of their new location is complete.

#### **Alternatives**

To not approve the lease for continued police operations at this location. This alternative is not recommended as the new location for District 4 operations will not be completed until February, 2013. Additionally, renewal of this lease will allow for continuity of police presence at this location.

#### **Financial Impact**

The term of the lease is for six years; the annual lease rate will increase each year by 3%. The monthly rent schedule is as follows:

Year	Rent	Upfit
Year 1	\$4,284.00	\$8,400.00
Year 2	\$4,412.52	N/A
Year 3	\$4,544.90	N/A
Year 4	\$4,681.24	N/A
Year 5	\$4,821.68	N/A
Year 6	\$4,966.33	N/A
Extension Year 1	\$5,115.32	N/A
Extension Year 2	\$5,268.78	N/A
Extension Year 3	\$5,426.84	N/A
Extension Year 4	\$5,589.65	N/A

The rental rate includes Landlord's cost of property taxes, insurance, common area maintenance, heating and air conditioning maintenance, landscaping, and repairs.

Funds are available in the Police facilities rent account.

#### **SDBE Summary**

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments: Lease Agreement, Lease Exhibit, Lease Payment Worksheet